

3 outlook

Digested from outlook reports of the economic research service forecasts based on information available through October 1, 1973

A GREAT YEAR . . . Higher prices and larger crop marketings should push 1973 gross farm income to about \$84 billion, \$15 million more than last year. And though sharply higher production expenses will eat up about \$60 billion of this total, net farm income will be by far the highest on record. Experts see it totaling \$24 billion, a gain of over \$4 billion from 1972.

FARM RECEIPTS totaled about \$31.3 billion by midyear, nearly \$6 billion ahead of first half 1972, thanks to 30 percent higher prices and 1 percent greater marketings. Livestock and livestock product earnings had climbed to \$20.7 billion, as higher prices (up 30 percent) nullified lower sales volume (down 6 percent). Crop receipts totaled \$10.6 billion, the result of 30 percent higher prices and 8 percent larger sales.

NO BARGAINS . . . Inputs bore a higher price tag in 1973 than the year before, with the biggest increase occurring for feedstuffs. The index of prices paid by farmers was up more than 20 percent from a year ago as of mid-September, with feed grains up 75 percent. However, prices of other items — wages, fertilizer, motor supplies, etc. — also advanced briskly.

LESS MILK . . . 1973 may well see the first falloff in milk output in 3 years. Sharp cutbacks in cow numbers and, surprisingly, lower output per cow could make for a 3 percent drop in total output.

CULLING QUICKENS . . . Expensive feed coupled with high slaughter cow prices are tempting farmers to cull their dairy herds heavily. Through August slaughter cow prices were up a third from the year before . . . and milk cow numbers were off nearly 3 percent in August, the sharpest drop in about 3 years.

OUTPUT PER COW just might drop during 1973 . . . the first annual falloff since the 1940's . . . as dairymen cut back on their use of high-priced grains and protein concentrates. During the past decade farmers managed to achieve a 3 percent annual gain in output per cow by boosting grain and concentrate feeding from 2,500 to 4,300 pounds per animal. But unfavorable milk-feed price relationships in 1973 just haven't been conducive to heavy feeding.

GROSS GAIN . . . Higher prices have pushed up gross

dairy income despite a drop in farmers' milk marketings. For all of 1973 gross earnings may total around \$7.8 billion, up from \$7.2 billion in 1972.

BUT NET LOSS . . . However, dairymen's gross incomes are rising less this year than their production costs, especially for feed, and net returns to dairying in total will likely decline from 1972 levels. Prices paid by farmers for production items in January-August were up about 20 percent from a year ago.

TURKEY TALLY . . . The 1973 turkey crop is expected to total 132 million birds, 2 percent more than in 1972. Marketings through early September were running about 5 percent ahead of a year ago but output will be lower for the September-December period.

TURKEY PRICES . . . Lagging output, lower cold storage stocks, and high prices for other meats have pushed turkey prices close to the record levels of 1948-49. New York wholesale prices for 8-16 pound young hens averaged 74 cents a pound during August, up 17 cents from the month before and more than twice as high as a year earlier. Continued high prices for other meats will continue to hold fourth quarter prices above October-December 1972.

FARMERS' FOOD DOLLAR SHARE . . . Feeding an urban household was estimated to have

cost over \$1,653 (annual rate) as of August 1973 . . . or \$328 more than the year before. Most of the added dollars went to farmers, boosting the farm value of a market basket of foods to \$835, up 58 percent from August 1972. Farmers thus received 50c of each \$1 consumers spent on food.

DIET DOWN . . . Per Capita food consumption this year appears likely to decline for the first time since 1965. A cutback in per capita use of livestock-related foods outweighs a small increase for crop foods. Meat and egg consumption will drop the most, followed by poultry.

FOOD EXPENDITURE . . . Despite the drop in per capita food use, higher food prices are expected to push total food spending up some 15 percent over 1972's \$125 billion. And because the spending rise will be

greater than gains in disposable personal income, it's very likely the share of income spent for food in 1973 will increase for the first time in 15 years.

Strasburg Bank Slates Dividend

Strasburg, Pa. - The Board of Directors of The First National Bank of Strasburg declared a semi-annual dividend at a recent meeting.

The new dividend is valued at \$1.50 per share and will be payable on December 31st, 1973 to stockholders of record on December 4th, 1973. There are 410 stockholders with 50,000 shares outstanding.

The First National Bank of Strasburg is celebrating its 110th anniversary this year and opened their fourth office at the Buck in September.

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